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9 September 1960

MEMORANDUM FOR: Special Support Assistant to the DE/S  
Assistant to the DD/I (Administration)  
Executive Assistant to the DE/S

SUBJECT: Health Insurance for Certain Contract  
Employees

1. The Deputy Directors (Plans) and (Support) have recently approved the adoption of a health insurance program for certain contract employees which is generally comparable to that authorized for appointed employees under the Federal Employees' Health Benefits Act of 1959. Contract employees are specifically excluded from the provisions of that Act; however, the Agency is administratively extending to them a comparable benefit to be provided under a special contract between GEHA and Mutual of Omaha.

2. Eligibility under this program is limited to those full-time contract employees who are U. S. citizens or resident aliens, whose employment relationship to the Agency is comparable to that of appointed employees, and whose services have been approximately equated to the General Schedule salary levels of appointed employees for compensation purposes. The employing unit is considered to be in the best position to identify contract employees who thus qualify for this benefit and we must rely on them to ensure that eligible personnel are informed of this program and that only eligible personnel apply. We are therefore suggesting that the additional copies of this memorandum and the descriptive material which are attached be distributed to appropriate operating levels in your respective areas. The descriptive material has been prepared so that it may be given to eligible contract employees along with application forms.

3. The initial enrollment period extends through 1 December 1960. After this period, only new employees or those being converted to contract status may apply and they must do so within 60 days of employment in contract status. Later "open periods" for individuals who do not apply within the prescribed period will be scheduled from time to time. The Ten-up hospital plan now available to contract employees will be cancelled as of 1 December 1960, the closing date for enrollment in the new plan. Individuals who do not join the new plan will not be insured after 1 December 1960. Unearned premiums will be returned to the individual as soon as possible.

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4. A part of the premium payments for this new plan will be paid by the Agency in proportion to the Government contribution under the plan for staff personnel. The proportionate amounts are as follows:

	<u>Single Plan</u>	<u>Family Plan</u>
Employee Contribution	\$1.70	\$6.70
Agency Contribution	1.70	6.76
Total Monthly Premium	<u>\$3.40</u>	<u>\$13.46</u>

In addition to the premium indicated, which will be paid by payroll deduction, the employee must pay an initial membership fee of \$1.00.

5. Application forms should be completed except for the items "Policy No." and "Effective Date", which will be filled in by the Insurance Branch, and signed in pseudonym. They should then be forwarded to the Insurance Branch, Room 1625 Curie Hall, through appropriate administrative channels. Additional application forms may be obtained from the Insurance Branch when the attached initial supply has been exhausted.

6. Questions concerning this program may be referred to the Insurance Branch, Benefits and Services Division, Office of Personnel, extension .

/s/

Emmett D. Echols  
Director of Personnel

Attachments A/S